

Bill would prohibit group health plans from making post-retirement reductions in retiree benefits, put loan guarantee programs in place to assist employers in restoring lost benefits

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Washington, DC □□ – Congressman Tim Ryan (OH-17) co-sponsored the Emergency Retiree Health Benefits Protection Act of 2009 this week. The bill is an effort to protect the 18.5 million retirees in America who earned health care benefits in retirement during their working years. The bill would explicitly prohibit group health plans from making post-retirement reductions in retiree benefits and would require employers to restore benefits reduced after retirement. In order to assist employers who may suffer a financial hardship by restoring benefits, the bill would create a federal loan guarantee program that would provide the needed capital they would need. The bill will protect benefits employees are entitled to at the passage of the legislation, but will not restore benefits that employees are no longer legally entitled to.

”Right here at home we’ve seen retirees who worked their entire lives with a promise from their employer that they would be well taken care of in their golden years only to lose those benefits when they need them the most” said Congressman Tim Ryan. **“Congress must stop these unfair cuts. Retiree health care benefits must be protected by law.”**

In addition, the bill would require plans to adopt provisions barring post-retirement cuts in retiree health benefits; and would require employers to restore health benefits reduced after retirement. The bill would provide an exemption for employers who are unable to restore benefits because they would experience substantial business hardship. The Department of Labor would be charged with determining what companies would fit that category.

According to a recent Kaiser Family Foundation (KFF) report, the Employer Health Benefits 2008 Survey, employer-provided health coverage for retirees has decreased significantly in the past decade.

In 1998, 66 percent of companies with more than 200 employees who offered health benefits to employees were offering similar benefits to retirees. By 2007, only 33 percent of large firms offered coverage to retirees, and in 2008 the number dropped once again to 31 percent.